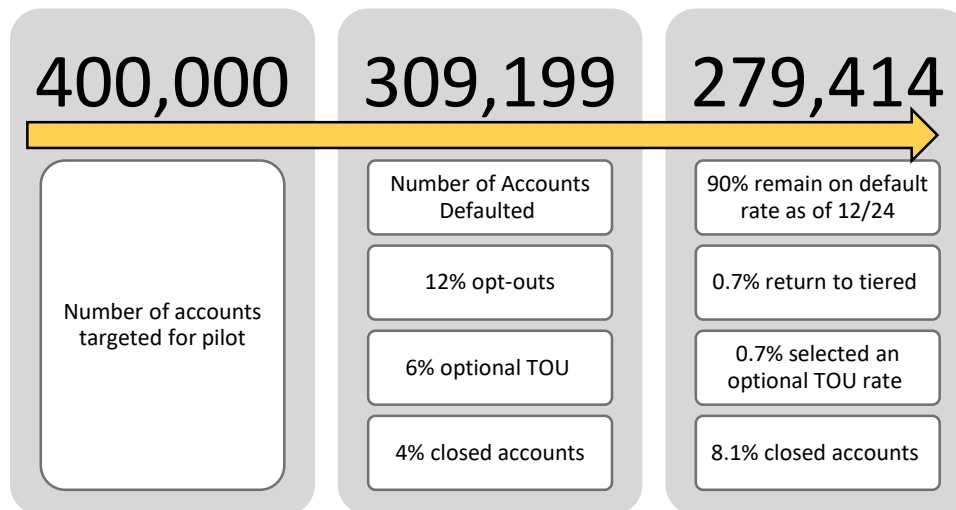


# Residential TOU Update

**February 20, 2019**  
**Andre Ramirez - Sr. Advisor, Regulatory Affairs**

# Default Pilot Demonstrated High Customer Retention

Participation on Pilot remains high for both of SCE's default rate options



## Relevant Survey Responses:

- Over 60% could correctly state the TOU peak periods and 40% said they took action to shift.
- Low income customers exhibited lower levels of understanding. SCE plans to utilize Spanish communications and CBO efforts.
- Low awareness of bill protection to be re-assessed after final bill protection letters and payments.
- Statewide ME&O, CBO & IOU efforts will increase awareness and understanding before the transition as will the transfer of all non-residential customers to new TOU rates next month.

## Preliminary: Customers took action

Avg. Summer Weekday Peak Load Reduction		
	4-9pm Peak	5-8pm Peak
Non-CARE	1.6%	2.1%
CARE	1.2%	1.5%
Total	1.5%	2%

# Bill Protection Costs Lower Than Expected

SCE estimates bill protection costs will be less than 70% of initial conservative estimates.

The following depicts the bill protection cost as of February 9, 2019. Note that the final bill protection cost after the pilot ends on March 31 **will likely be lower** than shown below due to increased customer savings during the cooler months of February and March.

Customer Status	No. of Customers Bill Protection Cost	
Non-Benefiting Customers Remaining on Pilot	155,315	\$7.3M
SCE initial Bill Protection Estimate Filed in Advice 3531-E		\$10.5M

- 121k benefiting customers would not receive bill protection payments as of February 9<sup>th</sup>.
- 12k additional non-benefiting customers switched rates or closed their account prior to 2/9, representing an additional \$340k in bill protection.
- Final bill protection payout amounts will be known in May.

# Appendix

# Opt-In TOU Acquisition Efforts

## 2018

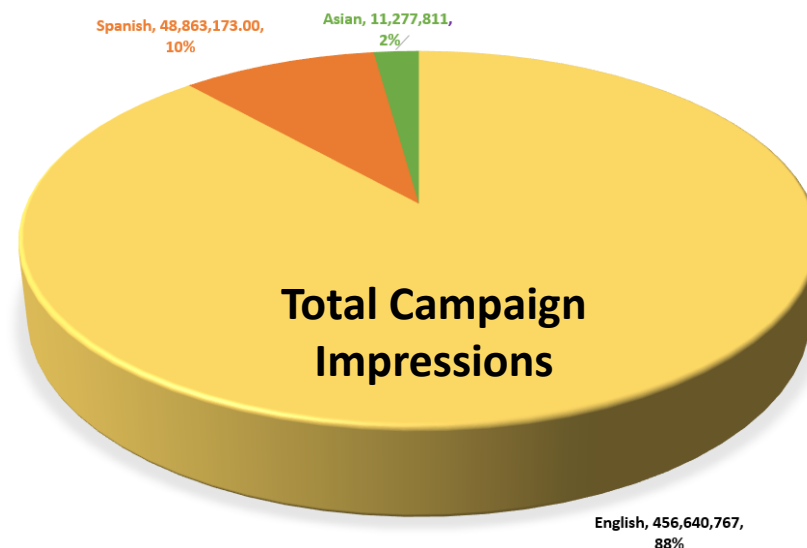
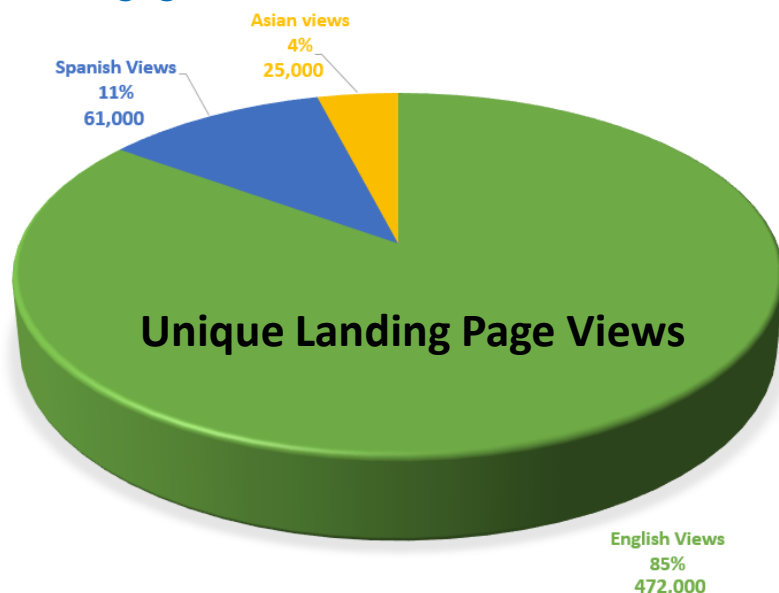
- **High Usage Charge** notifications led to an incremental 19k enrollments in 2018
- **TOU Acquisition** email/direct mail to Benefiting customers- April & October, total of 10k enrollments
- **Summer Rate Options Campaign** July - October
- **New Customer Engagement Pilot** in Summer 2018 to test rate conversations in the call center at turn-on increased enrollments.

## 2019

- Ongoing **High Usage Charge** letters
- **TOU Acquisition** email/direct mail to Benefiting customers – Q4
- **Summer Rate Options Campaign**
- Planning for **rate conversations** online – sharing wireframes at the March 12 Working Group meeting

# Rate Options "Summer" 2018 ME&O & Metrics

- Objective: Increase Awareness and Education of Rate Options
- Timing: July - October
- Multi-Channel Integrated Approach
- Strong In-Language Presence
- Interactive Landing Page for Deeper Engagement





# Default Pilot Outreach Materials

- Pre-Transition Communications to customers at 90- 60- & 30-day
- Key messages included What, Why & When, Bill Protection, Comparison of Rates (with "best options" banner)
- 60-day Letter included business reply card (BRC)
- Post-Transition Communications included Welcome Kit, Seasonal Newsletters and Text Messages

Note: SCE's RDW proposes to recalibrate the timing of communications to 90 and 30-days prior to the transition, but exact timing TBD.



Appendix A

John Q. Sample  
1234 Any Street  
Anytown, USA 12345-6789

## YOUR ENERGY RATE PLAN IS CHANGING. YOUR ENERGY PLAN OPTIONS ARE EXPANDING.

Dear <FName>,

We are contacting you with an important notice regarding an upcoming rate change. How you are charged for energy will soon be changing as part of a California Public Utilities Commission statewide initiative to simplify energy rates. Review your options carefully before you take action to understand how this change may potentially impact your bill.

Unless you take action, you'll be automatically transitioned to the new Time-Of-Use (TOU) rate plan in March. But we want you to know you do have options. To help you find the energy rate plan that's right for you, we're providing a customized rate comparison. You can also go online and use our rate comparison tool, which is an easy way to compare other available rates and make a selection.

Use this information to choose the plan that works best for you. And keep in mind, you can switch out of a TOU plan at any time.

### WHAT IS THE NEW TIME-OF-USE (TOU) PLAN?

The new TOU plan offers different electricity pricing at different times of the day. So when you use electricity is as important as how much you use. For this new plan, you should know rates will be highest between 4-9 p.m.

#### AVOID HIGHER BILLS WITH TOU

It is critical that you choose a rate plan that fits your needs. If you are not able to shift your energy use to Off-Peak hours the new TOU rate plan may not be a fit for you. You can also make sure to avoid surprises on your monthly bill by reducing your use during On-Peak hours when rates are highest during certain Peak periods. See the chart on the back of this letter for more information.

### YOU'RE COVERED WITH BILL PROTECTION.

When your new TOU plan (TOU-D-4-9PM) goes into effect with peak pricing from 4 to 9 p.m., we want you to have peace of mind. So we're offering you free bill protection. In the first year, if you pay more on TOU than you would have paid on your old plan, we'll credit you the difference. One year of bill protection applies only to the new TOU rate plans TOU-D-4-9PM and TOU-D-5-8PM.

### RATE PLAN CHOICES ARE AVAILABLE.

TAKE ACTION BY MARCH 1.

MARCH  
2018

Service account #: 3-XXX-XXXX-XX  
Today's date: 1/9/2018

### COMPARE YOUR ANNUAL ENERGY COSTS as of 7/31/2017.

Based on your last year's energy use, here's a cost comparison of your energy rate plan options. The highlighted plan offers you the projected lowest cost.

**Your New TOU Rate Plan**  
TOU-D-4-9PM  
Highest rates: 4-9 p.m., weekdays

**\$1,340/yr.**

### Your Current Tiered Rate Plan Schedule D or DOMESTIC

**\$1,150/yr.**

NOTE: This option does not qualify for bill protection.

For more information on all our available rate plans, access our Rate Comparison Tool at [sce.com/rateanalyzer](http://sce.com/rateanalyzer).

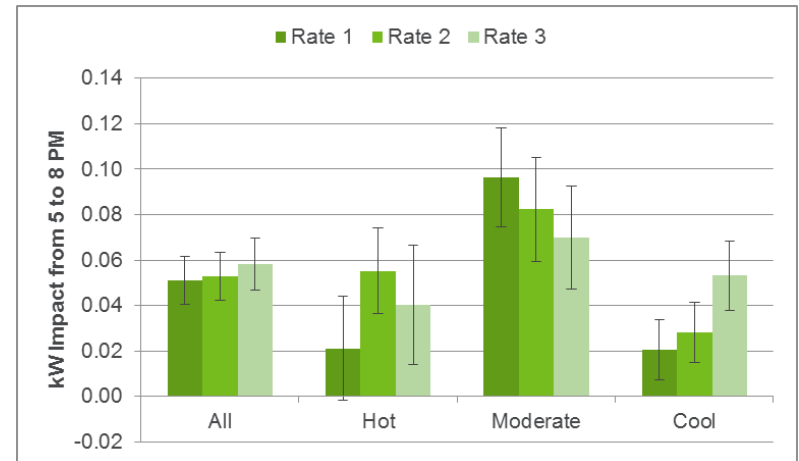
### CHOOSE YOUR RATE PLAN.

- Visit [sce.com/touttransition](http://sce.com/touttransition)
- Call 1-877-287-2140
- Return or Mail the attached card

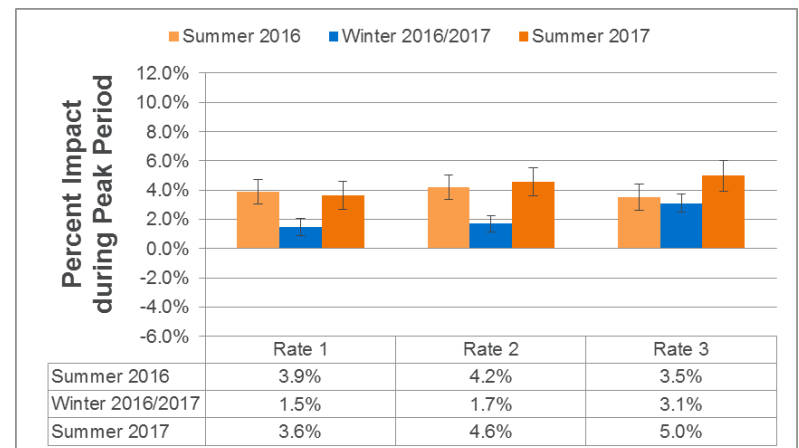
# Opt-In Pilot

- SCE tested three rate designs:
  1. 4-9 peak with 1.5 to 1 on to off peak ratio.
  2. 5-8 peak with 3.1 to 1 on to off peak ratio
  3. CAISO inspired three season rate
- CARE/FERA customers in Hot zones exhibited higher load response vs Non-CARE.
- Load response was generally persistent between summers.
- Customers with technology demonstrated significantly higher load reductions.
- Hardship
  - Health or economic hardship did not materially increase for segments of interest in hot climate zones.
  - Customers did not report additional difficulty in paying bills on Rate 1 or Rate 2 vs Tiered rate.

## Average Impacts from 5p-8p Across Rates



## Average Impacts from 5p-8p by Season





# Opt-In Pilot Rates

**Figure 4.1-1: SCE Pilot Rate 1 (January 2017)<sup>35</sup>**

Tariff	Season	1:00	2:00	3:00	4:00	5:00	6:00	7:00	8:00	9:00	10:00	11:00	12:00	13:00	14:00	15:00	16:00	17:00	18:00	19:00	20:00	21:00	22:00	23:00	24:00
Weekday	Summer	Super Off-Peak (23.2¢)								Off-Peak (27.8¢)						Peak (34.8¢)									
	Winter	Super Off-Peak (22.7¢)								Off-Peak (22.7¢)						Peak (27.3¢)									
Weekend	Summer	Super Off-Peak (23.2¢)								Off Peak (27.8¢)															
	Winter	Super Off-Peak (22.7¢)								Off Peak (22.7¢)															

**Figure 4.1-2: SCE Pilot Rate 2 (January 2017)**

Tariff	Season	1:00	2:00	3:00	4:00	5:00	6:00	7:00	8:00	9:00	10:00	11:00	12:00	13:00	14:00	15:00	16:00	17:00	18:00	19:00	20:00	21:00	22:00	23:00	24:00
Weekday	Summer	Super Off-Peak (17.6¢)								Off-Peak (29.1¢)								Peak (55.2¢)							
	Winter	Super Off-Peak (17.7¢)								Off-Peak (25.5¢)								Peak (27.6¢)							
Weekend	Summer	Super Off-Peak (17.6¢)								Off-Peak (29.1¢)															
	Winter	Super Off-Peak (17.7¢)								Off-Peak (25.5¢)															

**Figure 4.1-3: SCE Pilot Rate 3 (January 2017)**

Tariff	Season	1:00	2:00	3:00	4:00	5:00	6:00	7:00	8:00	9:00	10:00	11:00	12:00	13:00	14:00	15:00	16:00	17:00	18:00	19:00	20:00	21:00	22:00	23:00	24:00
Weekday	Summer	Off Peak (16.3¢)											Peak (22.6¢)				Super On-Peak (37.0¢)								
	Winter	Off Peak (18.3¢)															Mid Peak (21.1¢)								
	Spring	Off Peak (18.3¢)											Super Off Peak (10.0¢)				Peak (25.0¢)								
Weekend	Summer	Off Peak (16.3¢)															Mid Peak (18.7¢)								
	Winter	Off Peak (18.3¢)											Super Off Peak (10.39¢)				Mid Peak (21.1¢)								
	Spring	Off Peak (18.3¢)											Super Off Peak (10.0¢)				Mid Peak (21.1¢)								

# Settlement Proposal Aligns with NonRes TOU Periods

## Time-of-Use (TOU) Period Changes

- On March 1, SCE changes its primary TOU period definition for the **first time** in over 30 years.
- Abundant mid-day energy lowers prices from 8 am-4 pm.
- Highest cost period is now 4 pm-9 pm, all-days.
- New TOU rate structures reduce stand-alone solar installation project economics but improve business cases for projects that include energy storage.

	Season	Pre-March 1, 2019	Effective March 1, 2019
On-Peak	Summer	Weekdays: 12-6pm	Weekdays: 4-9pm
Mid-Peak	Summer	Weekdays: 8am-12pm; 6pm-11pm	Weekends: 4-9pm
	Winter	Weekdays: 8am-9pm	Weekdays and Weekends: 4-9pm
Off-Peak	Summer	Weekdays: 11pm-8am Weekends: All	Weekdays and Weekends: All except 4-9pm
	Winter	Weekdays: 9pm-8am Weekends: All	Weekdays and Weekends: 9pm-8am
Super Off-Peak	Winter	N/A	Weekdays and Weekends: 8am-4pm

# SCE Settlement Default Rate 4p-9p

## Periods, Seasons and Projected Rates for Default 4-9

Weekdays		1a	2a	3a	4a	5a	6a	7a	8a	9a	10a	11a	12p	1p	2p	3p	4p	5p	6p	7p	8p	9p	10p	11p	12a
Winter	Jan	Off-Peak 9p-8a 22.9¢							Super Off-Peak 8a-4p 20.8¢							Mid-Peak 4p-9p 30.2¢				Off-Peak 9p-8a 20.8¢					
	Feb																								
	Mar																								
	Apr																								
	May																								
Summer	Jun	Off-Peak 9p-4p 21.9¢									On-Peak 4p-9p 35.0¢							Off-Peak 9p-4p 21.9¢							
	Jul																								
	Aug																								
	Sep																								
Winter	Oct	Off-Peak 9p-8a 22.9¢							Super Off-Peak 8a-4p 20.8¢							Mid-Peak 4p-9p 30.2¢				Off-Peak 9p-8a 22.9¢					
	Nov																								
	Dec																								

Weekends		1a	2a	3a	4a	5a	6a	7a	8a	9a	10a	11a	12p	1p	2p	3p	4p	5p	6p	7p	8p	9p	10p	11p	12a
Winter	Jan	Off-Peak 9p-8a 22.9¢							Super Off-Peak 8a-4p 20.8¢							Mid-Peak 4p-9p 30.2¢				Off-Peak 9p-8a 22.9¢					
	Feb																								
	Mar																								
	Apr																								
	May																								
Summer	Jun	Off-Peak 9p-4p 21.9¢									Mid-Peak 4p-9p 28.4¢							Off-Peak 9p-4p 21.9¢							
	Jul																								
	Aug																								
	Sep																								
Winter	Oct	Off-Peak 9p-8a 22.9¢							Super Off-Peak 8a-4p 20.8¢							Mid-Peak 4p-9p 30.2¢				Off-Peak 9p-8a 22.9¢					
	Nov																								
	Dec																								

# SCE Settlement Default Rate 5p-8p

## Periods, Seasons and Projected Rates for Default 5-8

Weekdays		1a	2a	3a	4a	5a	6a	7a	8a	9a	10a	11a	12p	1p	2p	3p	4p	5p	6p	7p	8p	9p	10p	11p	12a
Winter	Jan	Off-Peak 8p-8a 22.9¢							Super Off-Peak 8a-5p 20.8¢							Mid-Peak 5p-8p 35.4¢				Off-Peak 8p-8a 22.9¢					
	Feb																								
	Mar																								
	Apr																								
	May																								
Summer	Jun	Off-Peak 8p-5p 21.8¢							On-Peak 5p-8p 43.7¢							Off-Peak 8p-5p 21.8¢									
	Jul																								
	Aug																								
	Sep																								
Winter	Oct	Off-Peak 8p-8a 22.9¢							Super Off-Peak 8a-5p 20.8¢							Mid-Peak 5p-8p 35.4¢				Off-Peak 8p-8a 22.9¢					
	Nov																								
	Dec																								

Weekends		1a	2a	3a	4a	5a	6a	7a	8a	9a	10a	11a	12p	1p	2p	3p	4p	5p	6p	7p	8p	9p	10p	11p	12a
Winter	Jan	Off-Peak 8p-8a 22.9¢							Super Off-Peak 8a-5p 20.8¢							Mid-Peak 5p-8p 35.4¢				Off-Peak 8p-8a 22.9¢					
	Feb																								
	Mar																								
	Apr																								
	May																								
Summer	Jun	Off-Peak 8p-5p 21.8¢							Mid-Peak 5p-8p 32.7¢							Off-Peak 8p-5p 21.8¢									
	Jul																								
	Aug																								
	Sep																								
Winter	Oct	Off-Peak 8p-8a 22.9¢							Super Off-Peak 8a-5p 20.8¢							Mid-Peak 5p-8p 35.4¢				Off-Peak 8p-8a 22.9¢					
	Nov																								
	Dec																								